

# DIVERSITY MANAGEMENT IN SOUTH AFRICAN COMPANIES

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## ABSTRACT

An interview schedule was used to test the applicability of the Cox model of diversity management in a sample of South African companies with an attempt to apply the perspectives of meta-analysis for data-analysis. Even though this sample acknowledges the potential advantages of diversity, they do not yet experience a pressing need to optimise diversity in their workforce. This sample can be classified mainly as monolithic companies, although some evidence emerged that specific companies are developing a plural orientation. Guidelines were given to apply tools for organisational change to establish full structural integration and thereby creating multicultural organisations.

Search terms: Diversity; multicultural; management of diversity; organisational change.

Workforces are becoming more diverse regarding gender, nationality and other dimensions of diversity giving impetus to the study of diversity (see Cox, 1994, p. 3). Within each company the importance of cross-functional teams, which can imply a diverse membership base, as a basis for achieving a competitive advantage is being emphasised. As the trend to globalise many domestic companies increase and multinational companies penetrate more domestic markets, citizens of one country come into contact with problems and developments in other areas in the world. Such trends make companies re-examine their policies and strategies for the management of diversity.

The aims of this paper are to explore (a) the development of an interview schedule to test the applicability of the Cox model of diversity management in a sample of South African companies and (b) after an attempt at applying the perspectives of meta-analysis, conclusions will be drawn on the management of diversity in the sample. In addition to the exploratory research, the teaching aims of the second author were to familiarise MBA students with the theoretical model, develop their interviewing techniques and case writing skills.

### ***Diversity : A Strategic management perspective***

#### Definitions and dimensions

The term diversity is often used as synonym for *multiculturalism* and the latter concept introduces yet another set of relevant terms, for example Euro-, Afro- or “multiple-centrist, pluralism / particularism / universalism, separatism versus relativism (Asante, 1992, p.182). Of particular relevance to the South African context as well as to indicate at what level of antagonism these concepts are being debated, is Ravitch’s statement that “What has confused the matter is that Afrocentrists present their program in public forums as ‘multicultural,’ in order to shield from public view their assertions of racial superiority and racial purity, which promote not the racial understanding which our society so desperately needs, but racial antagonism” (Ravitch, 1992, p. 182).

The importance of uniform terminology is obvious in the conclusion regarding the debate between Ravitch and Asante: they “agree that their different perspectives [regarding multiculturalism] reflect very different and *incompatible visions of the future* of the United States” (Bonevac, 1992, p. 138).

For the purpose of this study regarding the term multiculturalism, it suffices to say that people operate in specific social structures which are not homogeneous wholes, but rather composed of multiple communities / cultures (Parekh, 1992, p. 44). O’Mara (1994, p.118) distinguishes between diversity and multiculturalism in the following way: “Multiculturalism refers to many cultures. In diversity work, it means valuing the differences of others and creating an environment that does not require assimilation (taking on the traits of another culture, leaving the culture of origin behind).”

On the most elementary level, diversity can be defined as “race, gender, age, language, physical characteristics, disability, sexual orientation, economic status, parental status, education, geographic origin, profession, lifestyle, religion, position in the company hierarchy, *and any other difference*” (O’Mara, 1994, p.115). Cox (1994, p 6) defines *cultural diversity* as “the representation, in one social system, of people with distinctly different group affiliations of cultural significance.”

For this study, *diversity* is defined as : “the existence of distinctly different elements within and between people and social systems”. From this definition the following apply: a) *existence* - certain phenomena manifest themselves in the diverse setting as being present, either visibly or not; b) *distinctly differing* - these phenomena are not identical and are the essential causes of diversity; c) *elements* - referring to characteristics of the differing systems, these integrating phenomena are present in the diverse setting; d) *social systems* - man, as a micro-individual social system, is not a static entity but has ever-changing internal processes and interacts with the environment. This environment consists of other micro-individual social systems (individuals) as well as bigger macro-social systems

(groups). These macro-social systems interact with other macro-social systems, whether they are national or international.

Certain differences are more important than others regarding their effects on an individual's opportunities in the world (Gardenswartz and Rowe, 1993, p.392; and Este, Griffin & Hirsch, 1995 - see Table 1) and therefore a distinction is made between primary and secondary dimensions of diversity. Except for possibly sexual orientation, people have no control over the primary dimensions - these dimensions are therefore extremely important.

Primary dimensions	Secondary dimensions
Age	Geographic location
Ethnicity	Income
Gender	Marital status
Physical ability	Military experience
Sexual orientation	Parental status
Race	Religious beliefs
	Work experience
	Class
	Hierarchy / status

**Table 1 Dimensions of diversity**

A person becomes part of a particular group due to the fact that he/she shares certain characteristics - any of the dimensions listed in Table 1 - which the group has in common, thus a group identity is established. When these identities are ignored, something of great importance to the individual is undermined. Cox acknowledges that there are several kinds of identity groups which correspond with the above listed dimensions including job-function, religion, age and physical ability, but he only includes racio-ethnicity<sup>1</sup>, gender and nationality in his discussions on diversity as these factors are not really changeable. He furthermore distinguishes between phenotype and culture identity groups.

### Business imperatives for managing diversity

The concept, *managing diversity*, is described as “planning and implementing organisational systems and practices to manage people so that potential advantages of diversity are maximised while its potential disadvantages are minimised ... with the goal of maximising the ability of all employees to contribute to organisational goals and to achieve their full potential unhindered by group identities such as gender, race, nationality, age and departmental affiliation” (Cox, 1994, p.11).

Management literature suggests that organisations should *value diversity to enhance competitiveness* but seldom indicates the link between the two concepts (Cox, 1991a, p. 45). He identifies seven areas of business performance which can enable a company to acquire a competitive advantage when diversity is managed optimally namely (a) *Social responsibility* goals of companies can be facilitated; (b) *Cost* - due to the fact that companies have not always successfully managed groups other than the white male majority, many companies suffer either direct costs in the sense of expensive law suits or indirect costs due to high turnover, absenteeism and low job-satisfaction; companies who are quick to

<sup>1</sup>: Cox combines the dimensions of race and ethnicity into a single dimension. This might cloud the existing confusion for *John Everyman* regarding the difference between the two dimensions, especially for South Africans where there is such a variety of races and ethnic groups. For the sake of the present discussion, the combination as formulated by Cox is maintained.

create an environment where all personnel can thrive, should gain a competitive cost advantage over those that do not aim to create such an environment; (c) *Resource acquisition* - companies that are leaders in effectively managing diversity with specific reference to the proportions of women and minorities in the labour pool, have used publicity in recruiting activities that enhance their reputation; (d) *Marketing* - markets in the national as well as the international arena are diversifying and using diverse personnel in product areas linked to specific cultural groups, can be a successful strategy; (e) *Globalisation* is causing companies to take note of cultural differences that exist between consumers; (f) *Creativity* - diversity in project teams could have a potential benefit on creativity due to the presence of a variety of perspectives, higher levels of critical analysis and the lower probability of groupthink; (g) *System flexibility* - if diversity is managed well, it enhances the system's flexibility. Cox has two premises: firstly there is evidence that women and ethnic minorities have especially flexible cognitive structures; secondly the company becomes more "fluid" and adaptable due to revised policies and operating procedures.

The following model emphasises the importance of optimal diversity management in realising organisational effectiveness.

### Model for managing diversity

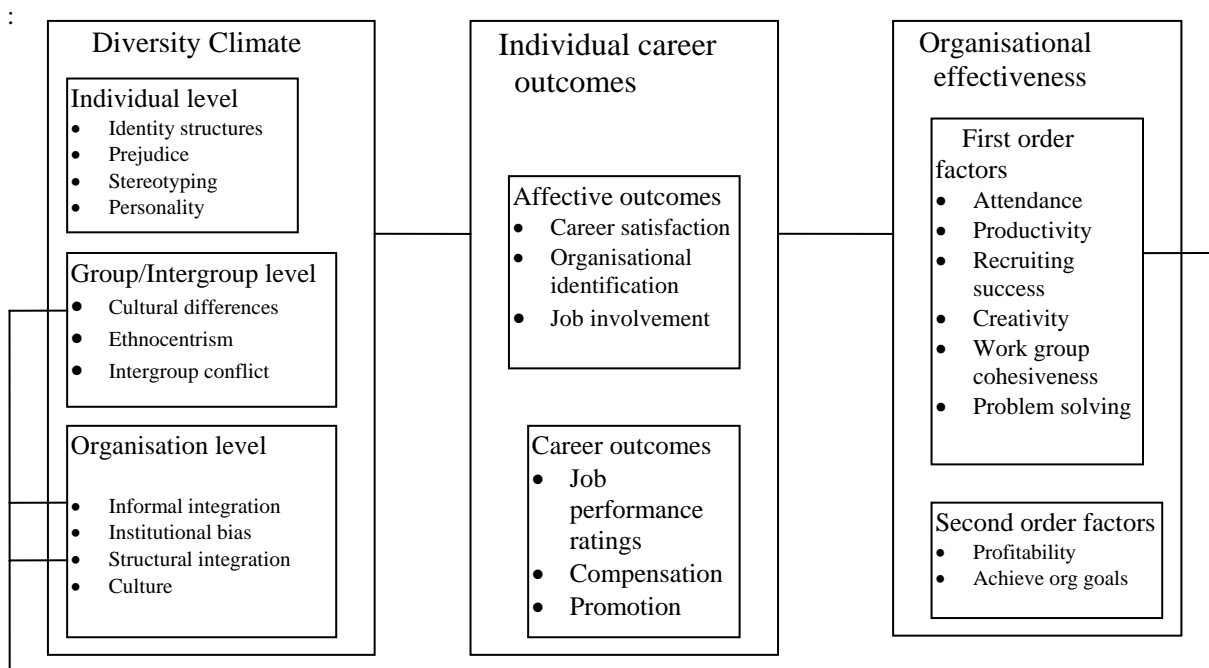


Figure 1. Cox model of organisational effectiveness (1991a)

Cox's model, presented in Figure 1, proposes that the *impact of diversity on organisational outcomes* is a complex interaction between individuals and their environment which include intergroup as well as organisational forces. The model postulates the following<sup>2</sup>:

### A diversity climate

The effects of a person's group affiliations (race, gender, ethnicity and nationality specifically) can be analysed on the individual, group and organisational levels. The diversity climate comprises of the following:

2: Concepts applied by Cox which have been discussed earlier and which can be applied *ipso facto* to his framework, will not be expanded on in this section.

### Individual-level factors

1. Personal identity structures : A person is a member of groups with phenotype and cultural identities.
2. Prejudice :Included are intra-personal, interpersonal and societal reinforcement sources of prejudice as well as action such as sexual harassment.
3. Stereotyping :This phenomenon impacts the organisation on two levels: organisational entry level which hinders members of certain identity groups to gain entrance into organisations, as well as post-entry level including role status incongruence, role conflict, career mobility, evaluation, power differences, differing training and development programmes, feedback differences and job segregation.
4. Personality type: Certain personality are more prone towards prejudice and discrimination as for example the authoritarian personality that may react with aggressiveness, power orientation, political conservatism, cynicism and a strong commitment to conform to prevailing authority structure .

### Intergroup-level factors

1. Cultural differences :Gender, nationality and racio-ethnic groups differ in terms of time and space orientation, leadership style orientation, individualism / collectivism, competitive / co-operative behaviour, locus of control and communication styles.
2. Ethnocentrism : This is defined as an inclination for viewing members of one's own group (in-group) as the centre of the universe, for interpreting other social groups (out-groups) from the perspective of one's own group and for evaluating beliefs, behaviours and values of one's own group somewhat more positively than those of out-groups ( Cox, 1994,p 130).
- 3, Intergroup conflict : One of the most important difficulties associated with diversity however is intergroup conflict - overt expressions of tension between the goals and concerns of one party and those of another (Cox, 1994,p 137).
4. Sources of conflict in the context of specifically diversity include competing goals, competition for resources, cultural differences, power discrepancies and assimilation as opposed to the preservation of microcultural identities.

### Organisational context factors

1. Organisational culture : The dimensions which are described are (a) *Culture strength* - the combination of the extent to which norms and values are clearly defined and the extent to which they are rigorously applied (Cox ,1994, p 162). Low enforcement (weak culture) allows people to invoke their own culture or is the result of the fact that essential values are not shared; (b) *Content* - the specific values, norms and styles present in the organisation. 94: 163).

By combining strength and content, Cox and Burke (1991b) derived the *Culture 3* and *Culture 4* types of strong cultures: (a) *Culture 3* - structures where the range of core norms and values are restricted and the organisation exerts heavy pressure for conformity on these issues, ignoring peripheral norms and values. This structure is more suitable for diverse groups as it is less prescriptive. Uniformity should not be critical to organisational results; (b) *Culture 4* - structures expect conformity in a wide range of behavioural domains which implies that also the peripheral issues are enforced.

The process by which the norms, values, abilities and expected behaviours of the organisation are communicated to members is referred to as the *socialisation process* (Cox, 1994,p 165) of which the final aim is to align the individual to the norms of the organisation.

2. **Acculturation process** : Acculturation refers to “the process for resolving cultural differences and of cultural change and adaptation between groups, especially when one group is being merged into a larger, more dominant group” (Cox, 1994, p 166). A typology of acculturation alternatives suggest four modes: (a) *Assimilation*: A one-way adaptation in which an organisation culture becomes the standard of behaviour for all other cultures merging into the organisation, to eliminate the expression of different cultures at work.; (b) *Separation*: Entering members are unwilling to adapt and seek autonomy and therefore cultural exchange is low; (c) *Deculturation*: occurs when members of minority groups have severed their ties with its group but have not been successful in forming ties with the dominant culture - for whatever reason; and (d) *Pluralism*: Refers to a two-way adaptation process in which the organisation and entering members change to some extent to reflect the norms and values of the other so that interdependence and mutual appreciation are emphasised.

3. **Structural integration** : This dimension refers to the levels of heterogeneity that exists in the formal organisation structure. Traditionally this criterion is applied to measure a company’s progress towards equal employment opportunities, including affirmative action activities. The level of integration is measured by (a) *An overall employment profile*. The proportionate representation of various culture groups in the total work force is an indication of integration. The analysis could be done according to the degree of proportional representation of specific groups. The phenomenon of tokenism is often the result of companies trying to manipulate this criterion; (b) *Participation in the power structure*. The primary formal source of power is authority. The four aspects relevant, when analysing power distribution as a dimension of managing diversity is analysis by organisation level, inter-level gap (the difference between the proportions of specified groups at various levels of authority) analysis, analysis of promotion potential and analysis of significant group decision-making bodies.

4. **Informal integration** : Participation in informal groups in organisations has an important influence on an individual’s career success (Cox, 1994,p.195). Principal elements of participation in informal groups concerns access to social networks like informal communication networks and the establishment of friendship ties, as well as mentorship programmes.

5. **Institutional bias**: Preference patterns inherent in the management modes of organisations often unintentionally create barriers to full participation of out-group members. Organisational bias is better illustrated by citing examples: (a) *50-Hour workweek*. The practices of having meetings during periods which fall outside working hours create problems for employees who for example have children to take to school or make use of public transport or (b) *Physical construction of work sites*. Physical facilities have (especially in the past) been designed not with the view of assisting physically disabled people. This is of specific relevance if the organisation has contact with the general public, as opposed to having only a work force who comes to work in the mornings and goes home at night.

### Individual career outcomes

The individual’s career expectations and outcomes may be influenced by the diversity climate in two ways:

#### Affective outcomes

These individual level outcomes refer to the perception of employees of their employer and the company. It includes measures of employee morale and satisfaction. Such perceptions are often related to the identity groups that the individual associates with.

#### Actual career achievements,

The measures taken at an individual level include his/her job performance ratings, promotion and vertical or horizontal mobility rates as well as compensation history

## Organisational effectiveness

The individual outcomes impact upon a number of organisational effectiveness criteria that could be monitored by means of tailor-made record-keeping systems that reflect the relevant indices.

### First-order effectiveness criteria

Attendance / absenteeism , personnel turnover, -productivity are measured and Quality of work-life surveys are instituted and recruiting success rates are monitored.

### Second-order effectiveness criteria for profit-making companies

Market share and profitability indices are calculated . The company also investigates the extent to which formal organisational goals are achieved. Cox (1991) argues that further direct influences of cultural differences on groups or intergroup interaction as well as the effects of structural and informal integration can also regarded as second order criteria to be assessed.

The challenge facing companies and individual managers with reference to Cox's model is therefore to create a diversity climate conducive to positive career outcomes for individual members in order to achieve organisational effectiveness and competitiveness.

## APPLICATIONS OF THE MODELS

Before the actual organisation forms can be discussed, it is important to establish the relationship between organisational elements. According to the 7-S Framework model developed by the McKinsey Consulting Firm (in Kotler, 1994,p. 88) seven elements have to be present and operate optimally in order for companies to implement change successfully. This model includes the interrelationships between shared values as a core element and structure, systems, style, staff, skills and strategy The relevance of this model becomes apparent when the centrality of **shared values**, *id est* **culture** is reviewed in the context of diversity work: it is the permeating element which directly affects each of the other elements. When considering a culture change (becoming more diversity oriented in the company) careful planning concerning the interrelationship of these elements is required before any (structural) changes can be made.

Even though the actual terminology differs, researchers agree on the basic organisational forms that are relevant in the transformation process towards greater diversity.

Adler (1991, p.104) refers to the progression from parochial organisations (“our way is the only way”) which are very common, to ethnocentric organisations (“our way is the best way”) and finally to synergistic organisations (“creative combinations of our way and your way may be the best way”) which are very uncommon.

Gardenswartz et al (1993, p 249) also use a model in which a company moves from being a **monocultural** to a **multicultural** organisation by following twelve steps A schematic representation of a continuum of these forms is suggested by Esty et al (1995,p189- see Table 2) which encompasses the different names given to the same ideas by different authors.

<i>From monocultural</i>				<i>To multicultural</i>	
Exclusive club	Lip service to inclusion	Tokenism	A critical mass	Tolerating / accepting	Valuing diversity

			diversity	
<b>Exclusive organisation</b>		<b>Inclusive organisation</b>		

Table 2 The Organisation Continuum

A more comprehensive model according to which companies can be measured regarding their disposition towards diversity was developed by Cox. In this model which describes the characteristics of monolithic, plural and eventually multicultural organisations, Cox describes the objective of managing diversity as the creation of an organisation in which members of all social backgrounds can contribute and achieve their full potential and multicultural as referring to those companies that achieve the objective of managing diversity.

This model will serve as framework for this paper with which companies can be evaluated regarding their progress towards managing diversity. Due to the recurrence of dimensions along which companies are evaluated as well as to facilitate comparison, the content will be presented in tabular form (Cox, 1994,p 226 - see Table 3).

Dimension	Organisational Form		
	Monolithic	Plural	Multicultural
1. Culture	Ignores or actively discourages diversity	Ignores or tolerates diversity	Values diversity
2. Acculturation	Assimilation	Assimilation	Pluralism
3. Degree of structural integration	Minimal	Partial	Full
4. Degree of informal integration	Minimal	Limited	Full
5. Institutional bias in HR systems	Omnipresent	Prevalent	Minimised or eliminated
6. Intergroup conflict	Minimal, due to identity homogeneity	Significant	Minimised by management attention

Table 2 Relationship between organisation form and dimensions of the diversity climate

## Method

### Sample

As part of the MBA course *International and Cross-cultural Management* at the Graduate Business School of the University of Pretoria, a discussion group in the class of 1994 developed an interview



schedule based on the Cox model. The applicability of the model was tested by interviewing three companies (a consulting engineering practice; a game park and a retailer). A case study of the consulting engineering practice was presented and final interview schedule was developed out of this learning process by P Sparrow (available from authors) .

The MBA class of 1995 had the assignment to apply Cox's model<sup>3</sup> of multi-cultural management to South African companies by using the interview schedule.

The students could choose the companies they wanted to study - an alphabetical list of these companies, is : AECI Explosives; Anglo Alpha; Black Like Me; Consulting engineering company , major ; Consulting engineering company, minor (2); CSIR Food Science & Technology; Denel Informatics; Estee Lauder; High technology research company; Homeopathic company; ISCOR Refractories; Marley SA; SA Reserve Bank; SASOL; Standard Corporate & Merchant Bank; State Departments (3); Telkom - different divisions(3); Tswana Steel; Vista Campus of Further Education; Woolworths (see Appendix A).

The 25 companies used in the survey represent a relatively wide coverage of public sector and private sector organisations in the Gauteng province, is a sample of convenience and results obtained from the group provide a generalised indication of the implementation of diversity management in this sample .

Guaranteed confidentiality was to be part of the initial contracting between the MBA students and their respective companies. As the companies have been numbered arbitrarily to comply with the confidentiality principle, there is thus no relationship between the respondent number (see Table 3) and the alphabetical list.

## Procedures

### Meta-analysis: a tool

The biological, physical and natural sciences often allow research problems to be clearly defined and examined by commonly accepted and standardised techniques and methods. "This often leads to scientific understanding and progress in which tidy, straightforward answers to problems studied under experimental conditions are obtained in a logical, sequential fashion, building on each other" (Wolf 1986,p.9).

The challenge facing social scientists is how findings of research can be synthesised and organised into coherent patterns. Therefore, the subject of meta-analysis is the "Analysis of analyses: the statistical analysis of a large collection of analysis results from individual studies for the purpose of integrating the findings" (Wolf, 1986,p.11) and also methods for integrating empirical research (Glass, McGaw & Smith, 1981,p12). Procedures employed during meta-analysis enables quantitative synthesis of research issues addressing similar subjects.

Glass et al (1981) identifies meta-analysis' essential characteristic as the *statistical analysis of the summary findings of many empirical studies*. A fully-fledged meta-analysis is a highly technical quantitative process which aims to apply statistical procedures / techniques to existing empirical research studies. Meta-analysis starts by selecting the studies to be integrated. This in itself is a major concern of meta-analysts: according to which criteria should studies be included or ignored? The following step would be to encode relevant factors of primary datasets<sup>1</sup>. Data not being encoded will

<sup>3</sup> The model referred to here are the frameworks identified in Taylor Cox's articles "The Multicultural Organization" (1991) and "Managing cultural diversity: Implications for organizational effectiveness" (1991).

not feature in the analysis which means that the selection of coding factors is extremely important. Additional steps and/or considerations would include for example ways to reduce own-bias in order to ensure reliability and validity.

Wolf (1986, p 14) and Glass et al (1981, p. 219) categorised comments of critics against meta-analysis as follows : (a) logical conclusions cannot be drawn by comparing and aggregating studies that include different measuring techniques because they are too dissimilar - the so-called “apples and oranges” problem; (b) results of meta-analyses are unintelligible because results from “poorly” designed studies are included along with results from “good” studies; (c) published research is biased in favour of significant findings because non-significant findings are rarely published and (d) multiple results from the same study are often used which may bias the meta-analysis and make the results appear more reliable than they are because these results are dependent.

An attempt at meta-analysis would therefore achieve the objective of integrating the results received from the surveys done by the MBA students as (a) the analysis would integrate the findings of the individual reports, (b) it would be possible to generalise about the level of diversity management in the sample of companies and (c) the results of both “good” and “bad” reports will be integrated nonjudgementally according to preset, objective criteria.

*There is however one serious problem:* the individual reports are not empirical studies - they do not include problem selection, hypothesis formulation, definition and measurement of constructs and variables, sampling and data-analysis. Students interpreted answers received from the interview schedule and put forward these interpretations in the form of narrative reports.

Slavin’s clarification of the role of meta-analysis (in Wolf, 1986,p16) provided the answer to this dilemma: meta-analysis is to be used to *enhance rather than replace* an intelligent discussion of critical issues. This is supported by Glass et al (1981,p 21) when he advances that meta-analysis “is not a technique; rather it is a perspective that uses many techniques of measurement.”

It was decided that the *perspective of meta-analysis* will be adopted in integrating the results of the individual studies.

### Survey methodology

The steps followed by the students in doing the survey were as follows: (a) identify the company to be researched, enter and contract to interview the human resources director; (b) acquire the necessary information required to comply with the assignment , (c) classify and interpret the acquired information and (d) prepare the final report.

A brief overview of the procedure that was followed in analysing and codifying the reports is as follows:

1. Each data set was given an arbitrary number.
2. As the individual datasets have no statistical elements but contain narrative descriptions of the survey themes, it was decided to construct a frame of reference with which each individual data set

could be analysed. The codification process entailed the following: (a) As Sparrow's survey was the only common factor in all the studies, it was decided to transform the elements covered in the questionnaire into variables. The result was a list of variables ("codes") which was used to analyse ("codify") individual datasets. (the completed codification form is available from the authors.)

3. Depending on the nature of each variable, a scale (either yes/no or 1-5) was developed for that variable. These variables then became the "codes" / criteria according to which individual reports datasets were analysed: a specific data set's response or coverage regarding a specific code was established by subjectively attaching a value to the degree to which the code was covered. An initial independent pilot test regarding codification was done by the second author. The first author then codified the current data set. Guidance was provided by statistical consultants during the codification process of the current data set. The initial codification was compared with the current data set to establish interrater agreement. Even though this codification process was done subjectively, it brought a degree of objectivity and comparability to the narrative format of the reports .
4. The results of the evaluation were recorded on an integrating format (see graphs).
5. General statistical techniques were applied to establish trends and aggregate levels which will be presented graphically in the next section.

## Results

The results obtained from the analysis will be reported in two stages, firstly on a micro-level where one or a number of thematically related variables are presented in graph form and secondly macro-trends in the sample will be identified. In order to facilitate easy reference, each graph will be presented and discussed on its own page.

### Micro-level: Variable Analyses

#### Diversity as competitive advantage

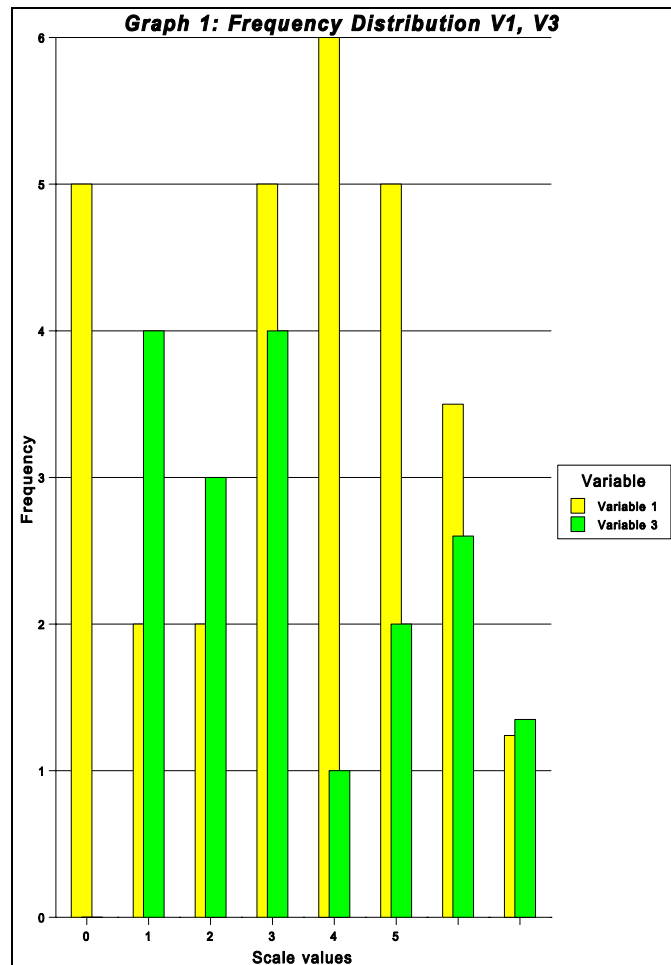
##### Valuing diversity

#### A. V<sup>4</sup>1 & V3: Graph 1 - Frequency Distribution

To what extent do you feel that there is value in managing diversity? &  
To what extent does the dominant culture value managing diversity?

This frequency distribution (fd) shows that most respondents ( $\sigma^5=1.2$ ) do believe that managing diversity has value ( $\mu^6=3.5/5^7$ ).

This finding contrasts with the corresponding figures indicating the extent to which the *dominant* culture values managing diversity ( $\mu=2.25/5$ ,  $\sigma=1.4$ ): the number of respondents is fewer, the average is lower and the distribution is wider.



<sup>5</sup>:  $\sigma$  to be used to indicate sample standard deviation

<sup>6</sup>:  $\mu$  to be used to indicate sample average

<sup>7</sup>:  $3.5/5$  = average of 3.5 out of a possible scale maximum of 5. An alternative elsewhere is e.g.  $0.77/1$  where we will be the maximum scale value.

B. V4 - 15: Graph 2 - Comparison of responses

V4-9: Does your company **realise** each of the potential advantages?

V10-15: Does your company **exploit** each of these advantages?

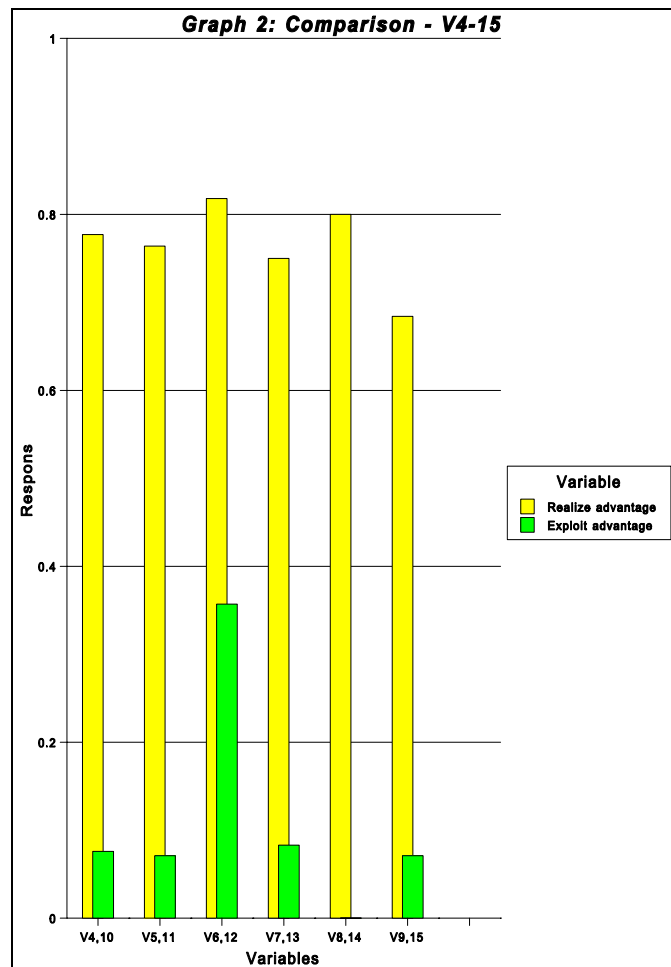
The scale employed was dichotomous:  
Yes (1) or No (0).

The difference between the extent to which companies realise the advantage ( $\mu=0.77/1$ ,  $\sigma=0.03$ ) but fail to exploit those advantages ( $\mu=0.11/1$ ,  $\sigma=0.26$ ) are obvious.

It is interesting to note that only the *marketing* advantage is being exploited by companies, probably due to the publicity it gets by being classified as “politically correct” etc.

The list of advantages were:

Cost ; resource acquisition; marketing; creativity; problem solving; systems flexibility.



## Dimensions of integration

### Acculturation

A. V16 - 19: Graph 3 - Comparison of responses

V16: Do you feel there is a dominant culture in your company?

V17-19: To what extent has dominant or minority culture members adopted each other's culture?

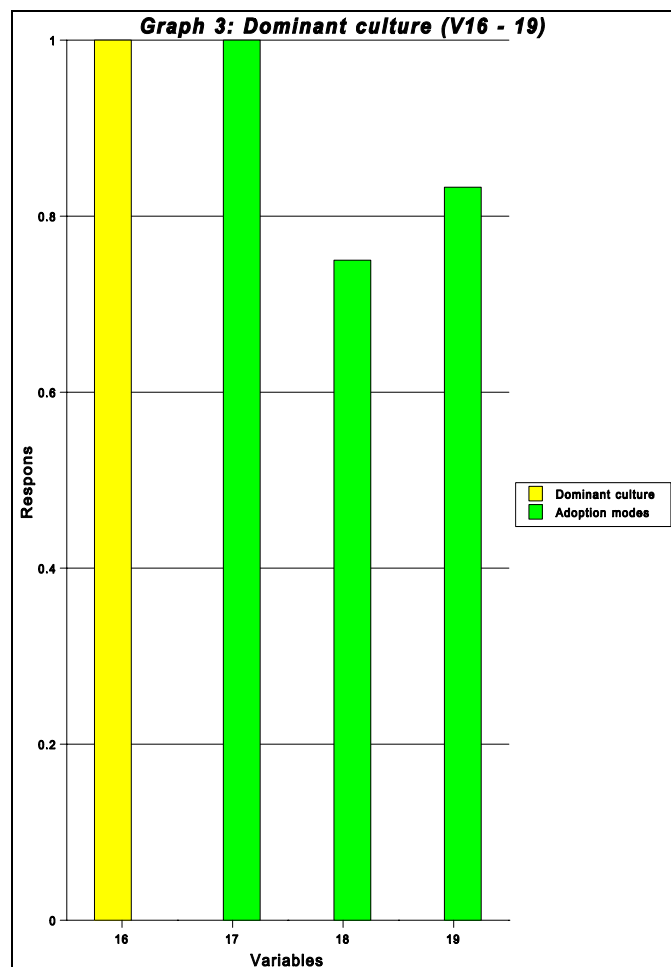
Minority → Majority

Both to some degree

Neither to any extent

All the respondents experienced a dominant culture ( $\sigma=0$ ).

The effect has been that 50% of the respondents felt that the minority had to adopt the culture of the dominant group; 12% saw that both groups had adopted some norms of the other and 20% stated that there was no adoption from any side.

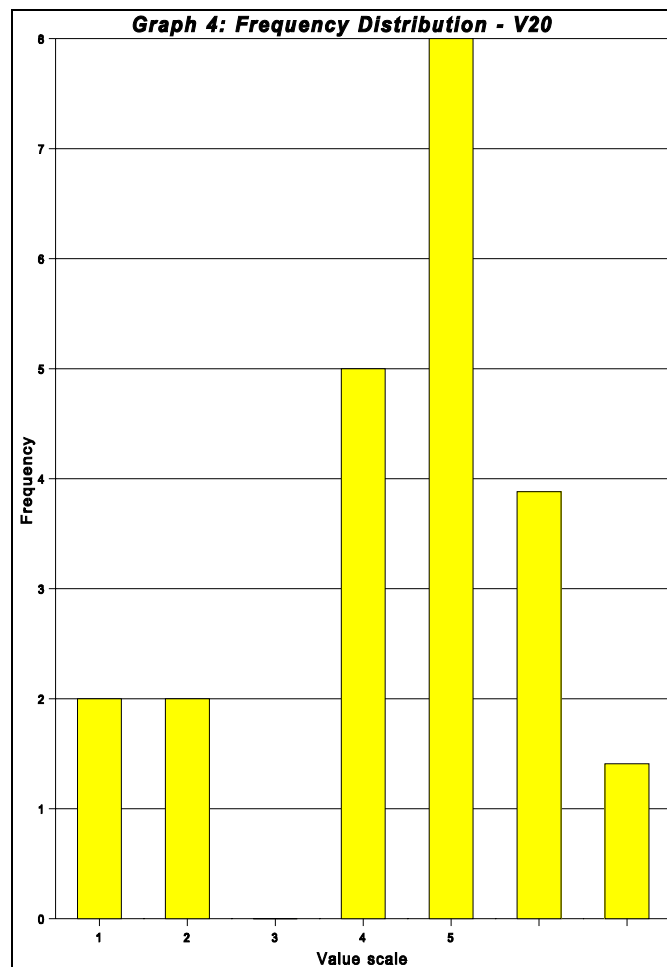


### Structural Integration

B. V20: Graph 4 - Frequency Distribution

V20: To what extent do you believe bastions/cliques of the dominant culture exist in your company?

The frequency distribution (fd) shows that most respondents feel that these cliques exist to a large extent ( $\mu=3.88/5$ ,  $\sigma=1.4$ )



### Informal Integration

#### C. V24-26: Graph 5 - Frequency Distribution

V24-26 Informal activities (dinners, social, mentorships & sports) of the firm:

To what extent are minorities physically involved in informal activities?

To what extent are these efforts sincere?

To what extent are these efforts sufficient?

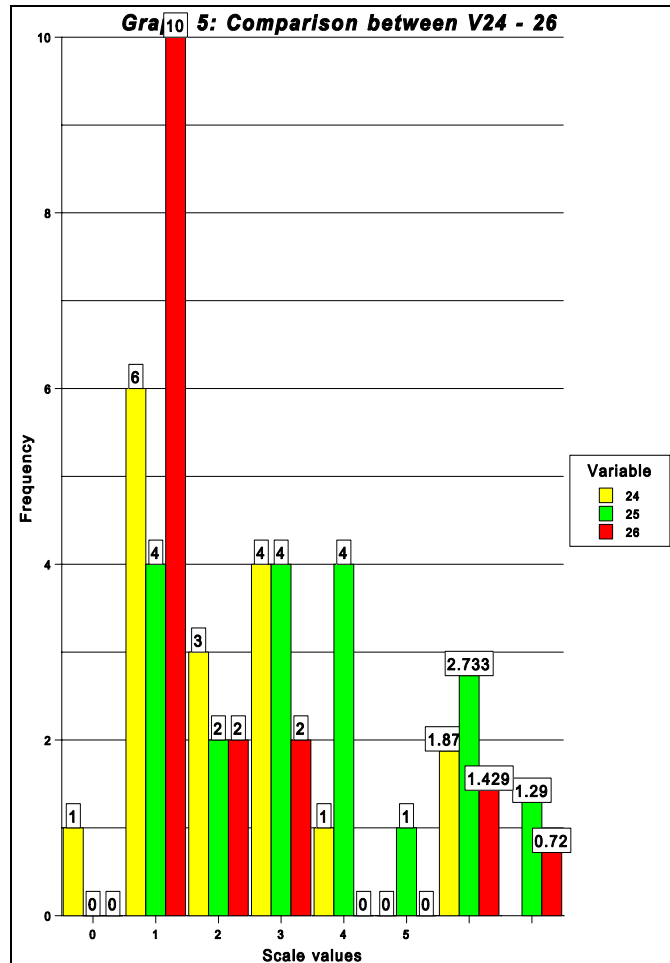
In this combined fd it is noticed that, regarding:

V24 (yellow) - minorities are practically speaking NOT included ( $\mu=1.86/5$ ,  $\sigma=1.09$ ).

V25 (green) - an average response ( $\mu=2.77/5$ ) with a slight deviation ( $\sigma=1.29$ ) indicates a feeling that these efforts are not really sincere. A possible reason for this is that invitations are usually sent out company wide, resulting in an apathetic attitude towards these functions. No specific effort is being made to make them feel that it is a sincere effort to socialise.

V26 (red) - Most of the respondents feel that these efforts not sufficient.

The low response rate factor (**LRRF**) of 14 respondents for V24, 15 for V25 and 14 out of 26 also indicates that this dimension does not receive a lot of attention in the workplace.





### Cultural Bias - Prejudice

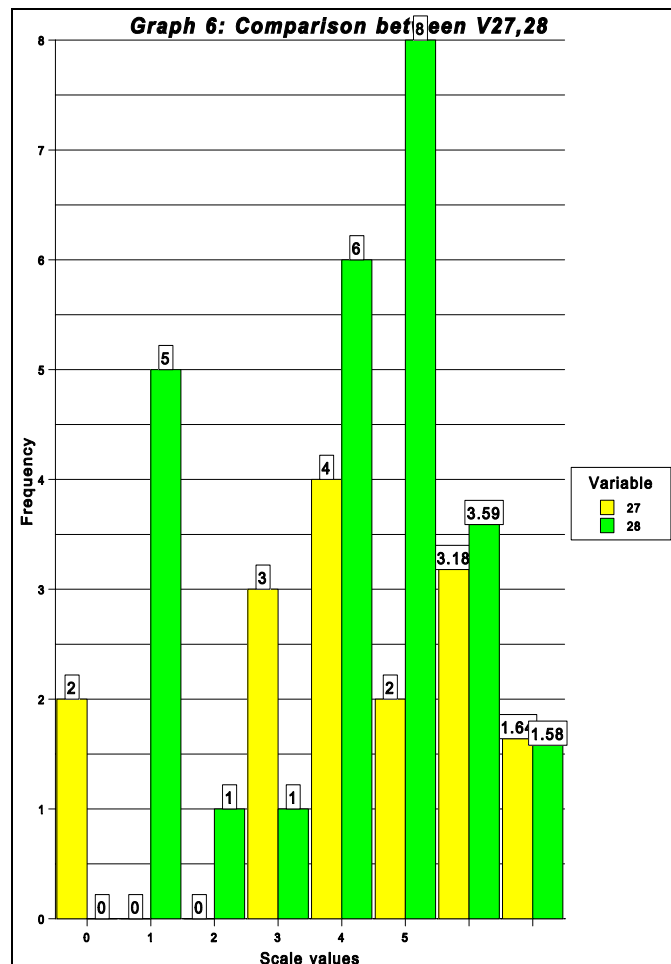
D. V27, 28: Graph 6 - Frequency Distribution

V27: To what extent have YOU experienced negative attitudes towards yourself or other minorities?

V28: To what extent do you feel prejudice exists within the firm against minorities in general?

Once again the LRRF has relevance. The objectivity implicit in this questionnaire with reference to whom the respondent is (Black /White /Male /Female), comes to light in this item. Possibly due to the fact that most respondents were white males, only 11 actually responded to the V27-question. Those who did respond are experiencing a large degree of prejudice ( $\mu=3.2/5$ , small  $\sigma=1.6$ )

In contrast, 21 respondents reacted to the V28-question when they expressed the perception that a large degree of prejudice (3.59/5) exists within their companies.



### Cultural Bias - Discrimination

#### E. V29-31 Graph 7 - Combined Frequency Distribution

V29: Can you recall any instances of discrimination (Y/N)

V30: Is there any form of institutional discrimination(Y/N)

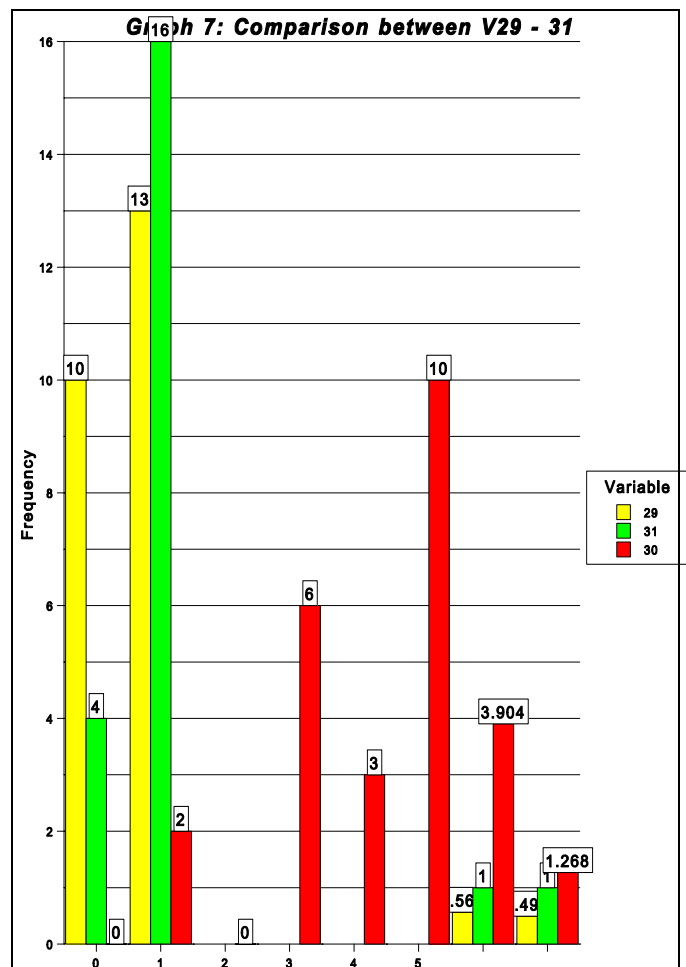
V31: To what extent does your organisation discriminate inadvertently( 1-5)

Regarding:

V29 - The majority of respondents(13/23) could recall instances of discrimination, either personally or as witnesses;

V31- The majority of respondents (16/20) asserted that institutional discrimination exists in companies , either through policies or covertly in the form of biased selection committees, etc.

The fd drawn with reference to the inadvertent discrimination in companies show that respondents feel that a high degree (  $\mu = 3.9$ ,  $\sigma = 1.2$ ) is present. This finding reflects on the way companies (subconsciously) remain insensitive to changing or new need of company employees.



### Cultural Bias - Intergroup Conflict

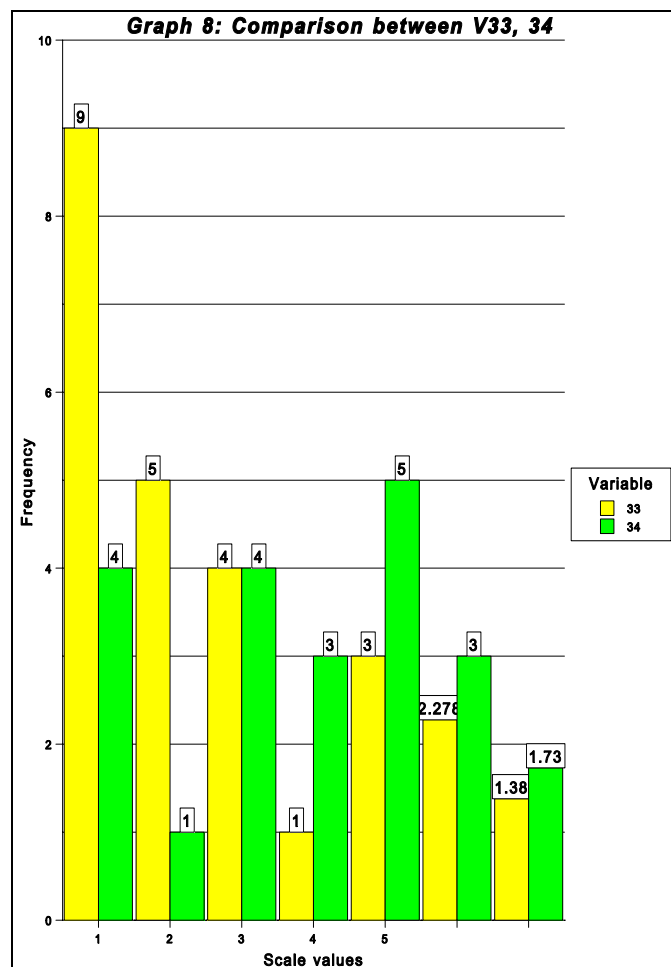
E. V33, 34: Graph 8 - Frequency Distribution

V33: To what extent have you noticed / experienced friction, tension or power struggles between groups?

V34: To what extent have you witnessed a backlash to AA / EEO by the dominant group?

This response is once again dependent on whom the respondent is. In this case, the result is that there is a low degree ( $\mu=2.27$ ,  $\sigma=1.3$ ) of noticeable friction or conflict.

There is however a substantial backlash ( $\mu=3$ ,  $\sigma=1.7$ ) by dominant group members against AA / EEO programmes.



## Tools for organisation change

V35 - 40: Graph 9 - Combined Frequency Distribution

Indicate which tools for creating a multicultural organisation exist in your company.

V35 (Yellow) - Pluralism: low use ( $\mu=2$ ,  $\sigma=0.9$ ).

V36 (Green) - Full structural integration: low use ( $\mu=1.9$ ,  $\sigma=0.9$ ).

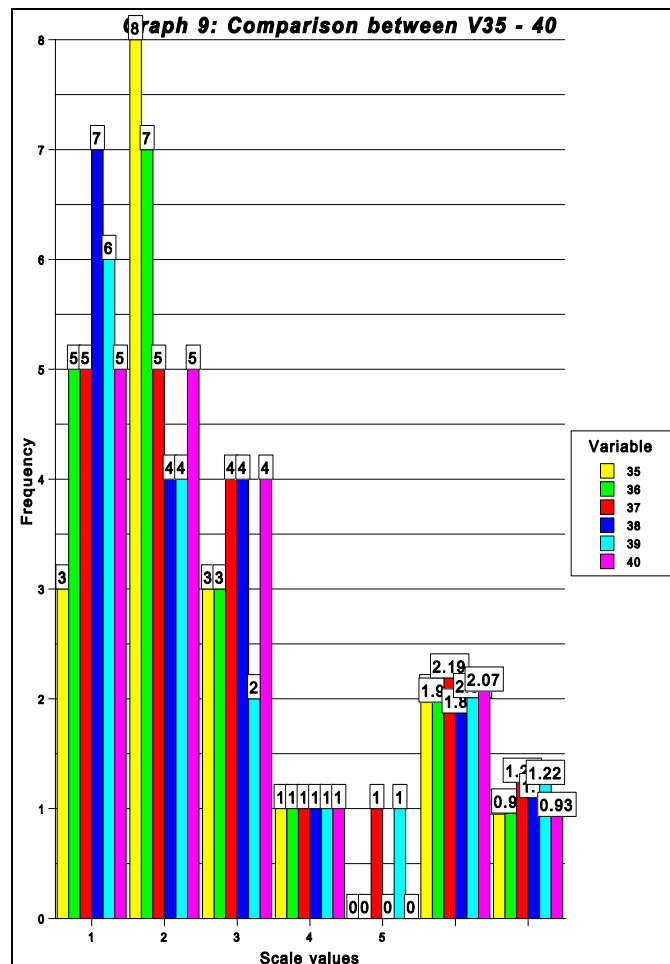
V37 (Red) - Integration in informal networks: low use ( $\mu=2.1$ ,  $\sigma=1.23$ ).

V38 (Dark blue) - Activities removing cultural bias: lowest use ( $\mu=1.87$ ,  $\sigma=1.05$ ).

V39 (light blue) - Activities increasing organisation identification: low use ( $\mu=2.07$ ,  $\sigma=1.22$ ).

V40 (Pink) - Activities resolving intergroup conflict: low use ( $\mu=2.06$ ,  $\sigma=0.93$ ).

The most obvious trend in this graph is that the distribution is skewed heavily to the right: this means that the tools available to make companies more multicultural are not being applied. Especially V35 (pluralism), V36 (full structural integration) and V38 (Cultural bias reduction) are the tools least used. This trend is of fundamental importance due to the fact that these three variables could be called the three core pillars of “multiculturalising” companies.



## Key-components for transition to multicultural organisations

### Leadership

To what extent do the following levels of management support the “multiculturalising” effort?

V41 - 45 Graph 10 - Comparative frequency distribution

V41 (Yellow) - CEO: average ( $\mu=2.33$ ,  $\sigma=0.2$ ).

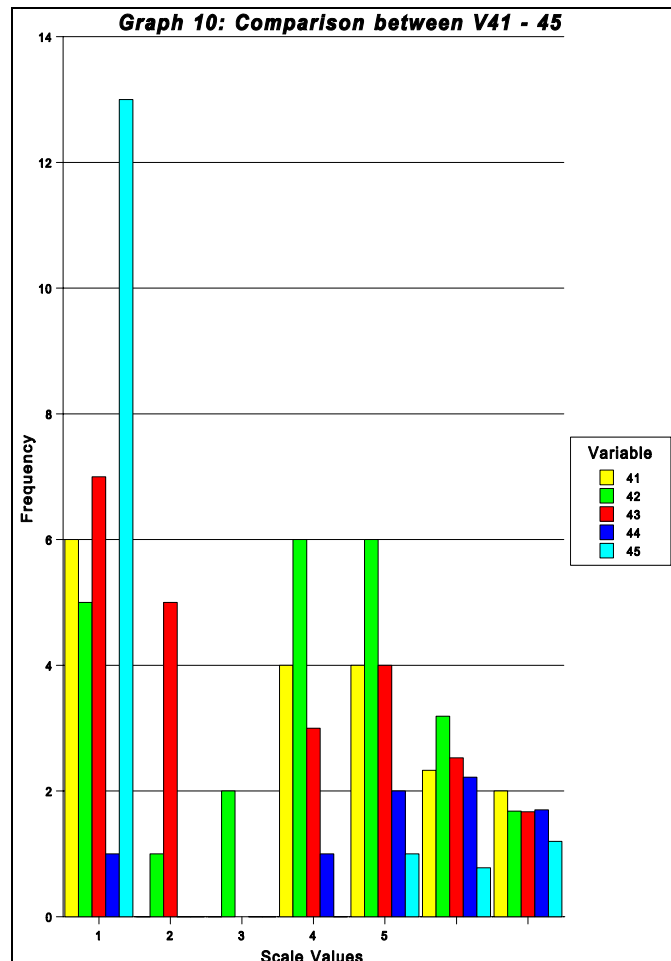
V42 (Green) - Senior management: above average ( $\mu=3.19$ ,  $\sigma=1.6$ ).

V43 (Red) - Line management: average ( $\mu=2.5$ ,  $\sigma=1.6$ ).

V44 (Dark Blue) - Supervisors: below average ( $\mu=2.2$ ,  $\sigma=1.7$ ).

When looking at the graph holistically, a comparison of the mean responses gives the best results:

- It is surprising that CEO's are not at the highest level of commitment but can be compared to the level of supervisors.
- Senior management are the people driving the effort to become more multicultural.
- They are supported to some extent by line managers.
- At the lowest level of contribution on the way to becoming multicultural is the supervisory level. Several factors could cause this reaction such as a low level of education or demoralisation due to lack of own career opportunities.



The low aggregate level ( $\mu$  of individual  $\mu$ 's = 2.59) is disturbing as it is important that leaders exert effort and show commitment to bring about radical attitudinal changes to make organisations more multicultural.

### Training

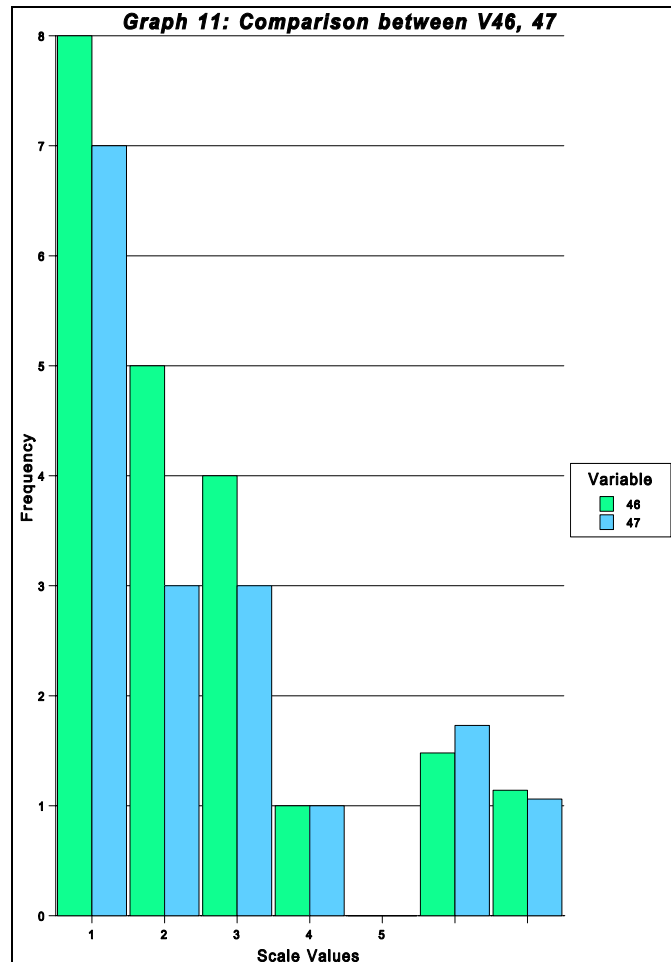
V46, 47: Graph 11 - Comparative frequency distribution

V46: To what extent is training in managing diversity done?

V47: If it is done, to what extent is it ongoing?

Once again the graph is skewed heavily to the right which means that training is not done ( $\mu=1.4/5$ ), neither is that which is given, ongoing ( $\mu=1.733$ ).

The direct implication of giving no training is that existing structures, stereotypes and biases are never challenged and/or given the opportunity to adapt to new and alternative view points.



### Research, Culture assessment and Follow-up

V48, 49, 50: Graph 12 - Combined frequency distribution

V48: To what extent is information collected about diversity issues?

V49: Has a comprehensive analysis of HR systems been undertaken?

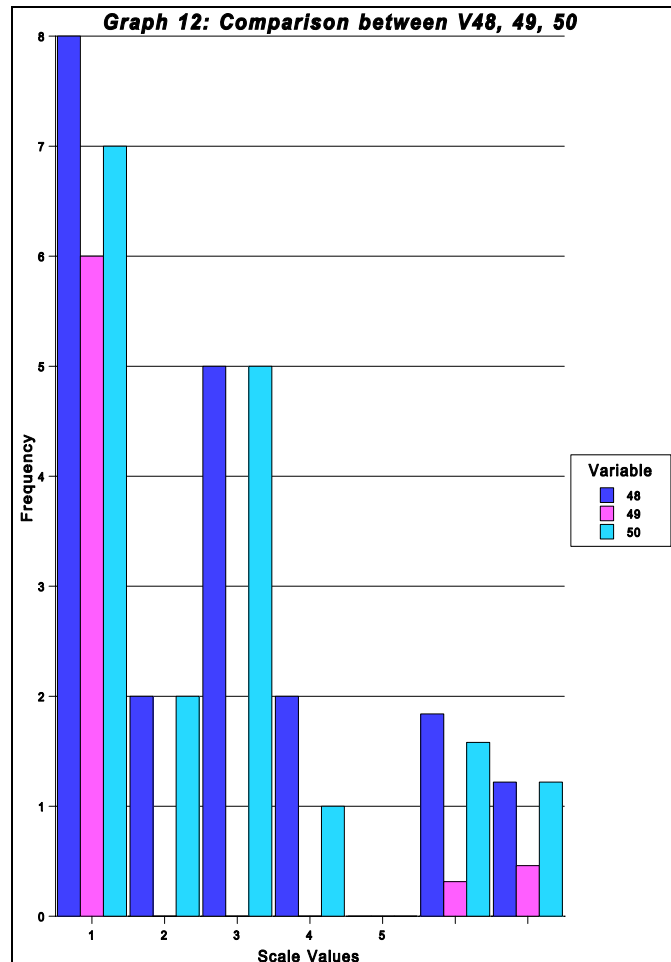
V50: If diversity is managed, to what extent are changes monitored and evaluated?

The same heavily skewed distribution was evident for all three above factors and were therefore combined on the same graph.

V48 (Purple) - Research: In effect no research is being done ( $\mu=1.8$ ,  $\sigma=1.22$ ).

V49 (Pink) - Cultural and management audits: none has been done ( $\mu=0.31/1$ )

V50 (Blue) - Follow-up: Virtually no follow-up actions are launched ( $\mu=1.57$ ,  $\sigma=1.22$ )



## Discussion of results : Macro-level analyses

### Dimension 1: Diversity as competitive advantage

Graphs 1 to 3 indicate a tendency for the human resource managers to believe in the principle of, as well as the potential advantages of managing diversity. The respondents note that the dominant cultural group in the company does not necessarily value the management of diversity. There is furthermore a discrepancy between this underlying belief and the extent to which these principles are being implemented and exploited with a focus only on the marketing advantage.

### Dimension 2: Dimensions of integration

Due to the existence of a strong, dominant culture group in all the companies of the study (a) minorities have had to adopt the culture of the dominant group; (b) cliques of the dominant group exist; (c) unconvincing efforts are made to integrate minorities in informal activities; (d) prejudice and discrimination are being witnessed or experienced, whether directly or inadvertently and (e) intergroup conflict is present. The dominant culture group correlates with the demographics<sup>8</sup> (obtained from the respondent companies) shown in Table 3.

Co	Demographic Category (%)												
	WM	WF	WT	BM	BF	BT	CM	CF	CT	AM	AF	AT	%M
SA '91	10	10	19	34	49	66	5	52	11	2	2	3	50
1	63	11		9	5		4	2		3	3		79
2			88			12							
3	26	54	80	7	22	9	1	89	9	1	1	2	35
4			51			27			17			4	
5			64			36							30
6			88			12							80
7	17	8	25	17	32	25	17	32	25	17	8	25	68
8	16	63	80	3	1	4	3	14	16	0	0	0	22
9	61	22	83	8	41	13	1	58	2	1	0	1	71
10			10			90							
11			50			50							
12													
13													
14	10	28	38	9	85	60	3	0	3	0	0	0	21
15													
16													
17													
18													
19	53	15	68	26	19	32							79
20													
21													
22			50			50							
23													
24	15	60	75	5	75	20						5	25
25													
Avg	29	29	61	9	31	31	5	32	12	4	2	5	51

Table 3 Degree of Structural Integration of Respondent Companies

<sup>8</sup>: Demographic categories will shown as  
W = white, B = Black, C = Coloured, A = Asian,  
M = Male, F = Female and T = Total  
M% = Males as % of total company workforce.



The distribution of specific demographic groups is an indication of the dimension of integration. Unfortunately not all the researchers supplied data, either because information systems in the companies are not capable of supplying such information or because researchers were not attentive towards this important statistic. (The empty, shaded spaces refer to researchers who did not supply data.)

The figure referred to in the SA '91 column indicates the proportions of the particular category in the economically active population, as published in the general census of 1991.

The main trends arising from this table, excluding the inadequate data referred to earlier, are as follows: (a) Whites (WT) constitute 61% of the total workforce of these companies, in comparison with the 19% of the SA census figure and (b) the figure for males (%M) working in these companies correlate with the SA census figure (51% vs. 50% respectively). What both these figures (%M as well as the SA Census %) do **not** show, is the uneven distribution / representation of males and females on different organisational levels.

These two trends are typical of the South African environment as it is symptomatic of the existence of a dominant elite (white males) which<sup>9</sup>, either consciously or subconsciously disregard or overlook the needs and aspirations of minorities. Therefore integration is not brought about - this dominant elite in fact seeks to entrench the status quo.

This dimension (structural integration) is the criterion most people focus on to establish the degree to which companies are working towards a diverse workforce. In South Africa *diverse* reads "multiracial" or the degree to which companies are imposing affirmative action programmes based on quotas. The danger, as deduced from the point of view that affirmative action is but the first step towards creating a multicultural workforce where everyone has equal opportunities to acquire quality of life, is that the integration criterion is overemphasised to the detriment of its place in the context of a multicultural process.

### Dimension 3: Tools for organisational change

Cox identified a number of ways ("tools") which can be used to create a multicultural organisation. The result of using these tools is that a company progresses on the road to creating a multicultural workforce as the sub-elements of the *integration dimension* are being realised. Because there are no indications that the respondent companies are in any significant way integrating diverse subgroups into their organisations, they are not applying any of these tools. With a mean score of 2.02 out of a possible five and a standard deviation of 0.11, there is a disregard of these tools of organisational change.

### Dimension 4: Key-components for transition to multicultural organisations

The respondent companies are indifferent about the key components that are required to move from monocultural to multicultural companies. Regarding *leadership* it is senior management, not the CEO's, who are initiating the process leading to multiculturalism. These senior management teams do not however have the full, unequivocal support of their line managers or even less so of their supervisory managers. *Training, research, follow-up and culture audits* are almost totally disregarded as strategies.

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<sup>9</sup>: Including social closure, stereotyping, in-group favouritism, authoritarianism etc

## Summary of results

Even though this sample of South African companies acknowledge the potential advantages of diversity, they do not yet experience a pressing need to optimise diversity. This could be due to a number of factors with specific reference in the South African context such as (a) mere apathy regarding changing needs of the workforce and pressure for organisational change; (b) resistance to change; (c) existence of an elite corps (white males) and (d) existence of a dominant culture (whites).

This sample of companies can be classified mainly as monolithic companies (Cox, 1994, p226 - see Table 3), although some evidence emerged that specific companies are developing a plural orientation.

When this need to optimise diversity becomes a reality, companies will start exploiting these advantages through the application of organisational tools of change to establish full structural integration and thereby creating multicultural organisations.

Low responses on especially the dimensions of *tools for changes* as well as *key-components for transition* imply that these companies have no solid base in their management systems and attitudes as they head for the approaching rapids and eventual waterfall of the world-wide transition to multicultural enterprises.

## A Model for the Management of Change

Once the company has become aware that there is a need to adapt the organisation culture and systems to start valuing and managing diversity, and if there is visionary leadership who can successfully create an inspiring vision, the actual process of operationalising the model can be considered.

The quality of implementation of diversity management is a function of the intensity of the commitment towards managing diversity, the clarity of a vision and the degree of visionary leadership present.

Cox (1994: 230) developed a comprehensive organisation development strategy which is designed to improve an organisation's capability in diversity management in order to transform the organisation from a traditional monolithic into a multicultural organisation.

Presented as Figure 3 is a generic change strategy that consists of five components. The most important components are discussed briefly because a tailor-made organisation development intervention should be developed for each company.

### Leadership

Supporting Kotler's prerequisite for visionary leadership, Cox refers to the need of champions who will further the diversity drive by becoming strong role-models. A checklist for commitment include commitment of resources to the change effort; including diversity management as a component in the organisation strategy and mission; willingness to change human resource management practices such as recruitment, performance appraisals and compensation systems; willingness to keep mental energy and financial support focused on a long-term basis and the establishment of diversity management as a core value of the firm which receives the same priority as other core values.

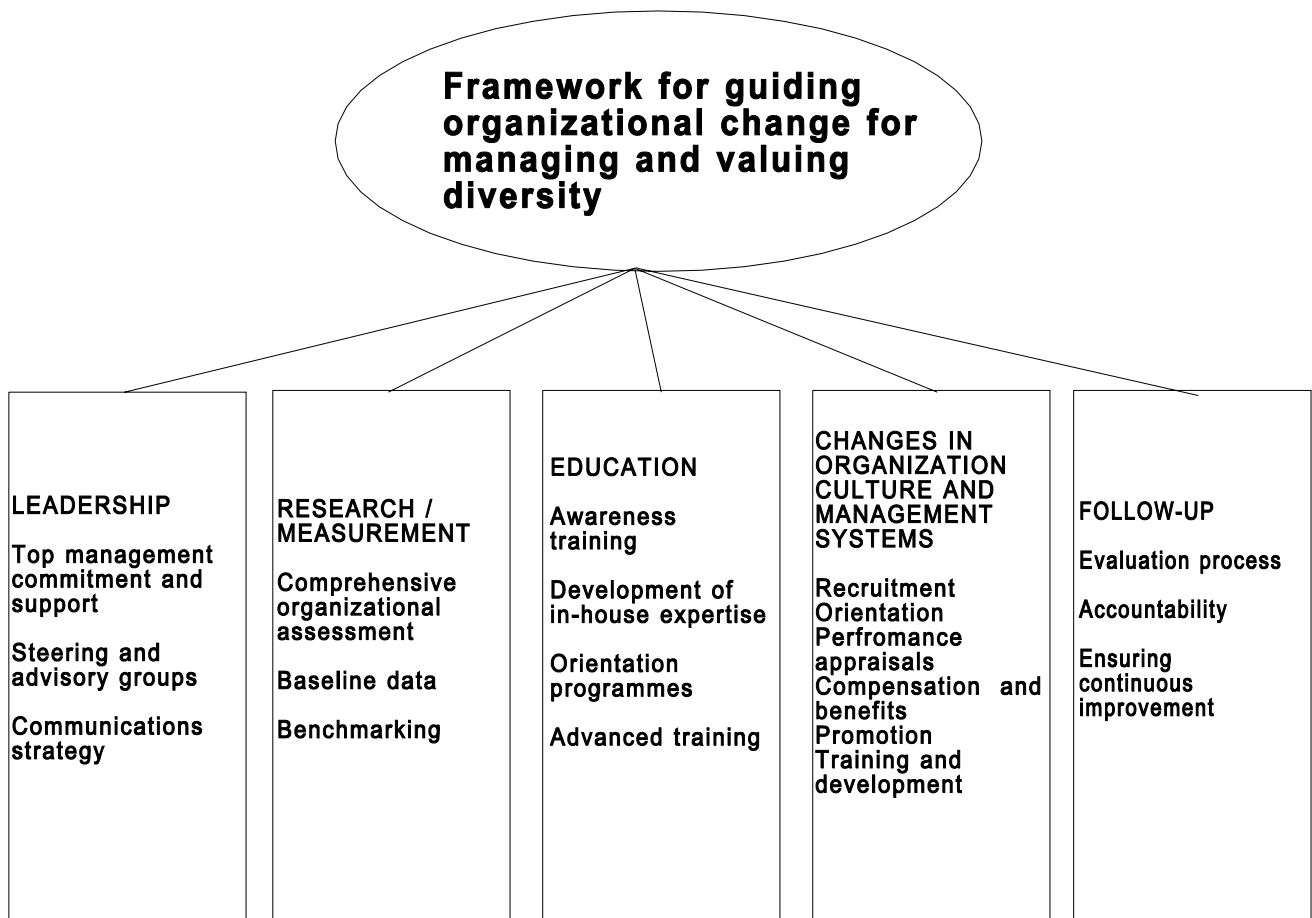


Figure 2 . A Framework for guiding organisational change for managing and valuing diversity (Cox,1991)

The organisational structure, can be utilised by for example appointing a diversity council (Esty, 1995,p194) or at least task-force, full-time diversity directors or diversity co-ordinators. The functional integration of affirmative action and equal employment opportunity objectives and structures need specific attention. Key-performance areas of diversity personnel should include increasing knowledge of cultural differences; analysing human resource systems; recognising a broader range of group identities, setting up mentorship programmes (Esty, et al 1995,p197) and diversity training for example the stereotype reduction workshop of Louw-Potgieter, Kamfer and Boy (1991,p 219).

### Communications strategy

This is an additional task for leadership who have to develop an explicit strategy for communicating to all personnel. The nature of the work deals with sensitive and emotional issues - how they are conveyed to workers becomes very important. As big companies often run a number of initiatives at the same time, information about this specific effort and its effect need to be communicated. Timeous communication can assist in maintaining momentum for the effort - newsletters can be very helpful in this regard.

## Research / Measurement

Information relating to diversity issues needs to be collected such as measures of the organisational culture; traditional EEO statistics; analysis of attitudes and perceptions of employees; and data on career experiences of members of different cultural groups.

This information could be used for identifying concerns regarding education and training, identifying areas of organisational culture, management and interpersonal relations where changes need to be brought about as well as to evaluate the change effort.

## Education

Most often companies start a change process with some type of employee education program consisting of sensitivity training workshops. These programs should begin with senior managers to enable them to become role-models required to drive the effort. In-house teams, consisting of culturally diverse members, run these workshops very successfully. It is very economical to include diversity modules in orientation programs for new entrants. This should however be presented as a first module in an advanced and ongoing diversity training program which aims at building specific skills to handle their respective roles in implementing the change effort.

## Diversity audit

This component includes a comprehensive assessment of the organisational culture, human resource management systems and staff demographics. The goal (see Gardenswartz et al , 1993,p 263 - 313 and Esty et al , 1995,p 193 - 194) of the audit is to provide the company with information against which it can measure future progress in creating a workplace environment in which diversity is valued.

The objectives are usually to (a) uncover symptoms of diversity-related problems; (b) assess how open the company culture is to change; (c) establish the status quo regarding diversity management in the company; (d) identify organisational barriers towards implementing diversity; (e) establish to what extent diversity is presently being valued in the company and (f) establish how diversity is managed in company sections / divisions.

The audit can take the form of a document review which consists of a study of annual reports, brochures, newsletters and personnel demographics; or a survey done by using a statistically significant sample which has the added bonus of serving as a sensitising exercise for the participants and/or focus groups consisting of four to twelve people and a facilitator which discusses diversity-related topics regarding work experiences. The results of this audit should be published in an action agenda where specific objectives can be identified. The two aspects involved in the follow-up action are to establish accountability for the results and to create specific mechanisms for the evaluation of effectiveness (Cox, 1994,p 239)..

## **Summary**

The dimensions of diversity were identified and the business imperatives for managing diversity were reported. Cox's model for managing diversity as a means of achieving competitiveness was discussed. Despite the awareness of the advantages of managing diversity, a sample of South African companies indicate that they do not implement most of the tools for organisational change. Suggestions for the implementation of initiatives to move from a monolithic to a multicultural organisation were made.

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COMPANY	TYPE	SIZE (Employee numbers)
AECI	Private sector; Manufacture explosives	3000 - 4000
Anglo-Alpha	Private sector, Manufacture cement	1000 - 2000
Black Like Me	Private sector, Hair care cosmetics	250 - 1000
Consulting engineering (major)	Private sector, consultancy	1-250
Consulting engineering (minor)	Private sector, consultancy	1-250
CSIR Food Science	Public sector, commercialised	1-250
Denel Informatics	Public sector, commercialised	1000-2000
Estee Lauder	Private sector, cosmetics	1- 250
High Technology Research	Private sector, research	1- 250
Homeopathic company	Private sector, manufacture medicines	1- 250
ISCOR Refractories	Public sector, commercialised	3000 -4000
Marley	Private sector, retail	250 - 1000
SA Reserve Bank	Public sector	250 -1000
SASOL	Public sector, commercialised	3000-4000
Standard Corporate	Private sector, banking	1000-2000 per division
State departments (3)	Public sector	1000-2000 per division
Telkom	Public sector, commercialised	1000-2000 per division
Tswana Steel	Private sector, manufacture steel	1000-2000
Vista Campus	Pubic sector, education	250 - 1000
Woolworths	Private sector, retail	1- 250 per store